

**FOOD STAMP PROGRAM****REQUEST FOR REGULATION INTERPRETATION**

INSTRUCTIONS: Complete items 1 -10 of the form. Use a separate form for each policy interpretation request. Retain a copy of the FS 24 for your records. For counties asking for policy interpretations, submit the question directly to a FRAT representative via e-mail. For other organizations (e.g., Quality Control, Administrative law Judges), submit questions directly to the Food Stamp Policy Implementation Unit or Employment and Special Projects Unit representative via e-mail.

<b>1. RESPONSE NEEDED DUE TO:</b> <input type="checkbox"/> Policy/Regulation Interpretation <input type="checkbox"/> QC <input type="checkbox"/> Fair Hearing <input type="checkbox"/> Immediate Need/Emergency Services <input type="checkbox"/> Other:	<b>5. DATE OF REQUEST</b> 03/10/2010	<b>NEED RESPONSE BY:</b> 03/19/10
<b>2. REQUESTOR NAME:</b>	<b>6. COUNTY/ORGANIZATION:</b> Tuolumne County DSS	
<b>3. PHONE NUMBER:</b>	<b>7. SUBJECT:</b> Income Averaging	
<b>4. REGULATION CITE(S):</b> 63-503.31	<b>8. REFERENCES: (ACLs/ACINs, FSQADs, etc.)</b> ACL 03-18, ACIN I-54-03	

**9. QUESTION: (INCLUDE SCENARIO IF NEEDED FOR CLARITY):**

Regulation 63-503 Calculating Net Income and Benefit Levels .31 Net Monthly Income states "In calculating net monthly income, the entire calculation process including individual shelter and medical costs shall include exact dollars and cents. The final figure shall be rounded down to calculations that end in 1 through 49 cents and rounded up for calculations that end in 50 through 99 cents. (Manual Letter No. FS-04/07 Effective 7/1/04)

ACIN I54-03 Question #9 (Also refers to ACL 03-18 page 29 and 30) states Should the averaged income cents be rounded or dropped? The example in the ACL drops the cents. Should the cents be dropped when averaging each income type separately (Unemployment benefits, earnings, etc.)?

Answer: CalWORKs regulations indicate that the CWD must round the average income down to the next lowest dollar. In the FSP, regulations require the CWD to drop the cents from the averaged income. For both programs, the result is intended to be the same. Both programs would drop cents and go to the next lowest dollar.

The cents should be dropped after adding all types of income and determining the final net nonexempt income.

My question is this: Does ACIN I54-03 override the regulation 63-503.31? Also where is the FSP regulation that states "In the FSP, regulations require the CWD to drop the cents from the averaged income"?

**10. REQUESTERS PROPOSED ANSWER:**

We propose that the regulations be followed, if an ACL or ACIN be published update the regulations to follow the new directive.

ISAWS followed the regulation, C-IV is following ACIN I54-03. We are updating cases after conversion and issuing more food stamps and will possibly owe supplements to our food stamp customers if ISAWS was incorrect by rounding income.

**11. FRAT RESPONSE TO COUNTY QUESTION:**

This same question to CDSS back in November 2009. CDSS's response from Alicia Thomason, was that the state would discuss at their next meeting. To date no response received on clarification.

There are no FSP regulations which indicate to drop the cents. Per 63-503.31 FSP regulations require that "The county use exact dollars and cents. The final figure shall be rounded up for calculations that end in 50 cents or more, and down otherwise".

I think this PI should be discussed with CDSS for clarification, since there will be several other counties converting to C-IV which will have the same question.

There are two slightly different issues involved. The FS regulation cited addresses the steps in computing a specific month's allotment amount.

It is clear that cents are to be retained in this computation until the point the net monthly income is reached. This computation involves expenses in addition to income and we believe is based on Federal FS regulations. The Q&A in the ACIN is specifically clarifying the computation of averaged income over a quarter that is unique to California and QR/PB. I don't think that an ACIN can supercede regulations but I think the ACIN is actually addressing a subject that is not in regulations.

We can certainly discuss this with CDSS but it would be very costly to change how any system (whether it is C-IV, CalWIN, or LEADER) is currently programmed.

In 2/3 of the cases the NNI would be the same either way. The other 1/3 would be \$1 difference in allotment.

we should bring this up at FRAT/CWDA as counties converting to CIV need to be made aware of the issue.

**12. STATE POLICY RESPONSE (FSPIU USE ONLY):**

No. The regulation at 63-503.31 remains viable for change reporting households and is equivalent to federal regulations which default to change reporting. However, ACIN I-54-03 clarifies policy for Quarterly Reporting households where dropping cents at the end of the computation is similar to the CalWORKs program, which rounds to the next lowest dollar. When developing QR, efforts were made to make the CalWORKs and Food Stamp Programs as similar as possible.

The wording ACIN I-54-03 could have been more appropriately worded to state that regulations at 63-509(a)(4) indicates cents are dropped.